

Section 3 - Expenditures By Program

Program Summary

Denver Water engages in specific activities to carry out Strategic and Integrated Resource Plan policies. These activities have been grouped into five broad categories or programs that follow the flow of water from raw water source to the customer's tap. Each program is further broken down into Operation and Maintenance and Capital expenditure components.

Raw Water Program - Provision of an adequate raw water supply. Includes collection and impounding reservoirs, collection systems, ditches and canals and raw water supply mains.

Recycled Water Program - Includes studies, engineering and construction of successive use of water for non-potable purposes.

Water Treatment Program - Treatment of water for delivery to customers. Includes treatment plants and the Water Quality Control Laboratory.

Delivery Program - Providing treated water to customers and distributors. Includes pumping stations, treated water reservoirs, transmission and distribution mains, fire hydrants, decentralization stations, conservation activities, meter reading and customer billing and assistance.

General Plant Program - Includes the West Side complex, administrative and meeting facilities, warehouses, yards and maintenance shops.

The programs have been further divided into expenditures for operation and maintenance activities and for capital projects. Total 2003 program budget expenditures of \$254,101,000 include \$97,006,000 for operation and maintenance; \$123,465,000 for new capital additions, replacements and improvements; and \$33,630,000 for debt service and related costs.

Operation and Maintenance

Denver Water experienced several unanticipated impacts on its operations over the past few years that resulted in substantial expenditures in cleanup and repair.

Conduit 55 experienced a major break in November 1998, resulting in expenditures of \$43,000 through the end of that year. Repair costs and failure investigation costs continuing into 1999 were \$1.8 million. All of the 48" pre-stressed concrete pipe (approximately 3 miles) will be replaced with 54" steel pipe in a capital project. \$1.7 million was expended for replacement during 1999, with an additional \$3.8 million in 2000 plus \$19,000 for the ongoing failure investigation. Replacement of the pipe is complete.

Security measures following September 11, 2001 resulted in estimated additional expenditures of \$330,000 for 2001, \$1.8 million for 2002 and an estimated \$1.0 million for 2003.

The High Meadows forest fire in June 2000 resulted in expenditures of approximately \$91,000 related for fire containment.

Several forest fires were also experienced in 2002. The Snaking Creek fire in the Pike National Forest in April 2002 resulted in approximately \$24,000 related to fire containment. The Schoonover fire which affected the Cheesman Reservoir facilities, in May 2002, resulted in fire containment expenditures of approximately \$30,000.